

# **Endowment Reimbursement Bill House File 2075**

*As Amended by the Senate Amendment  
H-8417*

Last Action:

**Senate Floor**

March 21, 2002

**An Act relating to the repayment of moneys appropriated from the Endowment for Iowa's Health Account of the Tobacco Settlement Trust Fund and from the Senior Living Trust Fund.**



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## **LEGISLATIVE FISCAL BUREAU NOTES ON BILLS AND AMENDMENTS (NOBA)**

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**EXECUTIVE SUMMARY  
NOTES ON BILLS AND AMENDMENTS**

**HOUSE FILE 2075 AS AMENDED BY THE SENATE  
ENDOWMENT REIMBURSEMENT BILL**

***SENATE AMENDMENT H-8417***

ALLOCATION TO THE SENIOR  
LIVING TRUST FUND

ALLOCATION TO THE ENDOWMENT  
FOR IOWA'S HEALTH ACCOUNT  
FOR REPAYMENT OF CERTAIN  
APPROPRIATIONS

***BILL AS PASSED BY THE HOUSE***

ALLOCATION TO THE ENDOWMENT  
FOR IOWA'S HEALTH ACCOUNT  
FOR REPAYMENT OF THE FY 2002  
TEACHER QUALITY ACT  
APPROPRIATION

- Transfers \$35.5 million from funds that are in excess of the amount required to maximize the balance of the Economic Emergency Fund to the Senior Living Trust Fund. The Bill requires the transfer of funds to the Senior Living Trust Fund to begin after the first \$40.0 million in excess funds are transferred to the Endowment for Iowa's Health Account.
- Transfers up to \$51.5 million from funds that are in excess of the amount required to maximize the balance of the Economic Emergency Fund to the Endowment for Iowa's Health Account for the purpose of repaying the appropriations and transfers from the Endowment that were for the following purposes:
  - \$22.0 million transferred to the General Fund in FY 2002, pursuant to SF 2304 (Budget Adjustment Act).
  - \$20.0 million appropriated for School Aid in FY 2003, pursuant to SF 2315 (School Aid Appropriation Act).
  - \$9.5 million appropriated in FY 2002 for Medical Assistance, pursuant to HF 2245 (Medical Assistance Act).
- Beginning in FY 2003, this Bill requires any funds that are in excess of the amount required to maximize the balance of the Economic Emergency Fund be transferred annually to the Endowment for Iowa's Health Account until the total amount transferred reaches \$40.0 million.
- DETAIL: The General Assembly appropriated \$40.0 million from the Endowment to fund the Teacher Quality Act in FY 2002. Senate File 531 (FY 2002 Administration and Regulation Appropriations Act) contained language that provided for the repayment of the \$40.0 million from excess revenues in the Economic Emergency Fund at the end of FY 2001 and FY 2002. However, due to budget shortfalls, the funds will not be repaid by the end of FY 2002.

House File 2075

House File 2075 provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section	Description
1	9	Section 1	Adds	8.55(2)(b)	Allocation to Endowment for Iowa's Health Account

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HF2075 as amended by H-8417 provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section	Description
1	1	Section 1	Nwthstnds	8.55(2)(a)	Transfer of Funds to the Senior Living Trust Fund
1	16	Section 1	Nwthstnds	8.55(2)(a)	Transfer of Funds to the Endowment for Iowa's Health Account

1 1 Section 1. Section 8.55, subsection 2, Code Supplement  
 1 2 2001, is amended to read as follows:  
 1 3 2. a. The maximum balance of the fund is the amount equal  
 1 4 to five percent of the adjusted revenue estimate for the  
 1 5 fiscal year. If the amount of moneys in the Iowa economic  
 1 6 emergency fund is equal to the maximum balance, moneys in  
 1 7 excess of this amount shall be transferred to the general  
 1 8 fund.

1 9 b. Notwithstanding paragraph "a", any moneys in excess of  
 1 10 the maximum balance in the economic emergency fund after the  
 1 11 distribution of the surplus in the general fund of the state  
 1 12 at the conclusion of the fiscal year beginning July 1, 2002,  
 1 13 and subsequent fiscal years, shall not be transferred to the  
 1 14 general fund of the state but shall be transferred to the  
 1 15 endowment for Iowa's health account of the tobacco settlement  
 1 16 trust fund. The amount transferred under this paragraph shall  
 1 17 not exceed the difference between forty million dollars and  
 1 18 the total amount transferred to the endowment for Iowa's  
 1 19 health account pursuant to 2001 Iowa Acts, chapter 177,  
 1 20 section 2, as amended by 2001 Iowa Acts, chapter 187, section  
 1 21 28, and previous fiscal years.

CODE: Beginning in FY 2003, this Bill requires any funds that are in excess of the amount required to maximize the balance of the Economic Emergency Fund be transferred annually to the Endowment for Iowa's Health Account until such time as the total amount transferred reaches \$40,000,000.

DETAIL: The General Assembly appropriated \$40,000,000 from the Endowment to fund the Teacher Quality Act in FY 2002. Senate File 531 (FY 2002 Administration and Regulation Appropriations Act) contained language that provided for the repayment of the \$40,000,000 from excess revenues in the Economic Emergency Fund at the end of FY 2001 and FY 2002. However, due to budget shortfalls, the funds will not be repaid by the end of FY 2002.

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\* 1 1 Amend House File 2075, as passed by the House, as  
 \* 1 2 follows:  
 \* 1 3 #1. Page 1, by inserting after line 21 the  
 \* 1 4 following:  
 \* 1 5 "c. Notwithstanding paragraph "a", any moneys in  
 \* 1 6 excess of the maximum balance in the economic  
 \* 1 7 emergency fund after the distribution of the surplus  
 \* 1 8 in the general fund of the state at the conclusion of  
 \* 1 9 each fiscal year and after the appropriate amount has  
 \* 1 10 been transferred pursuant to paragraph "b", shall not  
 \* 1 11 be transferred to the general fund of the state but  
 \* 1 12 shall be transferred to the senior living trust fund.

CODE: Transfers \$35,500,000 from funds that are in excess of the amount required to maximize the balance of the Economic Emergency Fund to the Senior Living Trust Fund. The Bill requires the transfer of funds to the Senior Living Trust Fund to begin after the first \$40,000,000 in excess funds are transferred to the Endowment for Iowa's Health Account.

\* 1 13 The total amount transferred, in the aggregate, under  
 \* 1 14 this paragraph for all fiscal years shall not exceed  
 \* 1 15 thirty-five million five hundred thousand dollars.

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\* 1 16 d. Notwithstanding paragraph "a", any moneys in  
 \* 1 17 excess of the maximum balance in the economic  
 \* 1 18 emergency fund after the distribution of the surplus  
 \* 1 19 in the general fund of the state at the conclusion of  
 \* 1 20 each fiscal year and after the appropriate amount have  
 \* 1 21 been transferred pursuant to paragraphs "b" and "c"  
 \* 1 22 shall not be transferred to the general fund of the  
 \* 1 23 state but shall be transferred to the endowment for  
 \* 1 24 Iowa's health account of the tobacco settlement trust  
 \* 1 25 fund. The total amount transferred, in the aggregate,  
 \* 1 26 under this paragraph for all fiscal years shall not  
 \* 1 27 exceed the difference between fifty-one million five  
 \* 1 28 hundred thousand dollars and the amounts transferred  
 \* 1 29 to the endowment for Iowa's health account to repay  
 \* 1 30 the amounts transferred or appropriated from the  
 \* 1 31 endowment for Iowa's health account in 2002 Iowa Acts,  
 \* 1 32 House File 2245, 2002 Iowa Acts, Senate File 2304, and  
 \* 1 33 2002 Iowa Acts, Senate File 2315."

CODE: Transfers up to \$51,500,000 from funds that are in excess of the amount required to maximize the balance of the Economic Emergency Fund to the Endowment for Iowa's Health Account for the purpose of repaying the appropriations and transfer from the Endowment for the following purposes:

1. \$22,000,000 transferred to the General Fund in FY 2002, pursuant to SF 2304 (Budget Adjustment Act).
2. \$20,000,000 appropriated for School Aid in FY 2003, pursuant to SF 2315 (School Aid Appropriation Act).
3. \$9,500,000 appropriated in FY 2002 for Medical Assistance, pursuant to HF 2245 (Medical Assistance Act). If the State receives \$7,000,000 in federal funds to the Hospital Trust Fund, the amount appropriated from the Endowment for Medical Assistance will be reduced by \$7,000,000. As a result, the amount of excess funds transferred to the Endowment will be reduced by \$7,000,000.

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\* 1 34 #2. Title page, by striking lines 3 and 4 and  
 \* 1 35 inserting the following: "trust fund and from the  
 \* 1 36 senior living trust fund."

Amends the title page.

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\* 1 37 HF 2075.S  
 \* 1 38 mg/cc/26

1 22 EXPLANATION  
 1 23 An appropriation of \$40 million was made by the 2001

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1 24 Regular Session of the Seventy-ninth General Assembly from the  
1 25 endowment for Iowa's health account of the tobacco settlement  
1 26 trust fund for purposes of the student achievement and teacher  
1 27 quality program. The moneys were to be repaid pursuant to  
1 28 2001 legislation to that account from surplus moneys from the  
1 29 state general fund that were not needed to fill up the  
1 30 economic emergency fund. This repayment applied to fiscal  
1 31 years beginning July 1, 2000, and July 1, 2001. Since the \$40  
1 32 million has not been repaid and will likely not be repaid at  
1 33 the end of the 2001-2002 fiscal year, this bill extends  
1 34 indefinitely the time period for repayment but makes no  
1 35 changes in the repayment sources.

2 1 LSB 5289HV 79  
2 2 mg/sh/8